

Making Michigan Government More Efficient, Responsive and Cost Effective in the 21st Century

Implementation of Proposed Changes

(status through February 3, 2010)

Recommendation

Proposal 1. End Lifetime Health Care for Legislators.

Amend the Legislative Retirement System Act to end the provision of free lifetime health care benefits to legislators with 6 years of service at age 55 for all legislators.

Proposal 2. State Employee Retirement Savings. Amend the State Employees' Retirement Act to assure adequate funding for defined benefit retirement system, encourage retirement of eligible state employees with retirement benefit changes by October 1, 2010, restrict replacement hires, and authorize phased retirement allowing eligible employees to retire but continue working up to 20 hours per week for up to 3 years.

Proposal 3. Lower-Cost Health Care for New State

Employees. Negotiate and/or implement a lower-cost health care plan for new state employees, reducing state costs by 21%.

Proposal 4. Reduce Prison Expenditures. Modify prison policies to bring prisoner time served and Corrections costs in line with other Midwestern states.

Proposal 5. Recover Additional Medicaid Dollars.

Join 49 other states to end immunity for prescription drug manufacturers who produce harmful products that injure patients to enable the recovery of state Medicaid expenditures when Medicaid recipients recover damages from prescription drug manufacturers resulting from harmful prescription drugs.

Implementation

[HB 4194](#) (Slavens). Passed House 103-1 on 02/02/2010.

See FY 2010-2011 Executive Budget presentation on 02/11/2010 for details and LSB Request No. 05986'10.

See FY 2010-2011 Executive Budget presentation on 02/11/2010, [ratified agreement with SEIU Local 517M](#), and tentative agreement with [Michigan Corrections Organization](#) for details.

[SB 826](#) (Cropsey)

[SB 827](#) (Cropsey)

[HB 4130](#) (Smith). Passed House 106-0 on 09/16/2009.

[HB 4497](#) (Cushingberry)

[HB 4498](#) (Cushingberry)

[HB 4499](#) (Cushingberry)

[HB 4509](#) (Meadows). Passed House 88-21 on 03/26/2009.

[HB 4510](#) (R. Jones). Passed House 87-22 on 03/26/2009.

[HB 4316](#) (L. Brown). Passed House 61-48 on 03/26/2009.

[HB 4317](#) (Kennedy). Passed House 56-53 on 03/26/2009.

[HB 4318](#) (Slavens). Passed House 61-48 on 03/26/2009.

<p>Proposal 6. Medicaid Inspector General. Establish an independent Office of Health Services Inspector General within the Department of Community Health to identify Medicaid waste and fraud and recover Medicaid dollars for taxpayers.</p>	<p>See FY 2010-2011 Executive Budget presentation on 02/11/2010 for details.</p>
<p>Proposal 7. Continue Executive Branch Streamlining. Further reduce the number of state departments, boards and commissions through consolidation or elimination of duplicative functions.</p>	<p>Future executive orders.</p>
<p>Proposal 8. Require Local Competitive Bidding. Amend the Revised School Code and local government statutes to mandate competitive bidding for local government and school contracts exceeding \$50,000 as mandated for state contracts.</p>	<p>LSB Request No. 05984'10. LSB Request No. 05985'10.</p>
<p>Proposal 9. School Employee Retirement Savings. Amend the Public School Employees Retirement Act to assure adequate funding for defined benefit retirement system for school employees, encourage retirement of eligible school employees with retirement benefit changes by October 1, 2010.</p>	<p>See FY 2010-2011 Executive Budget presentation on 02/11/2010 for details.</p>
<p>Proposal 10. Lower-Cost Retirement Plan for New Teachers. Establish a new lower-cost hybrid defined benefit/defined contribution retirement system for new school employees.</p>	<p>See FY 2010-2011 Executive Budget presentation on 02/11/2010 for details.</p>
<p>Proposal 11. School Service Sharing and Consolidation. Amend the State School Aid Act to require all public schools to develop and submit an administrative service sharing and consolidation plan to the Department of Education for review and approval.</p>	<p>See FY 2010-2011 Executive Budget presentation on 02/11/2010 for details.</p>
<p>Proposal 12. Expanded Participation in State Health Plan. Allow local governments, schools, and their employees to voluntarily purchase health care benefits through the state health care plan.</p>	<p>See Civil Service Commission Rule 5-11.1(e)(2) and future executive directive.</p>
<p>Proposal 13. Arbitration Efficiency. Amend Public Act 312 of 1969 to streamline the arbitration process for police officers and firefighters for greater efficiency and cost savings.</p>	<p>Draft legislation pending at the Legislative Service Bureau.</p>
<p>Proposal 14. Intergovernmental Cooperation and Consolidation. Amend the Urban Cooperation Act and other intergovernmental cooperation laws to clarify that nothing in the laws require government employers to pay employees the highest wages and benefits paid prior to a government consolidation. Amend the Michigan Election Law and laws relating to counties to allow elimination of county road commissions and enable multi-county election of drain commissioners.</p>	<p>Draft legislation pending at the Legislative Service Bureau.</p>

Proposal 15. Reducing School and Local Election Costs. [HB 4367](#) (Stanley). Passed House 79-30 on 04/30/2009. Amend the Michigan Election Law to streamline and reduce elections costs by: (i) authorizing no-excuse absentee voting; [HB 4539](#) (Liss). Passed House 68-36 on 12/17/2009. (ii) enabling on-line voter registration; (iii) requiring local, [HB 4540](#) (Liss). Passed House 68-36 on 12/17/2009. school, and special elections not held in August or November to be conducted by mail only; and (iv) authorizing instant run-off voting for nonpartisan local elections. And draft legislation pending at Legislative Service Bureau.

Proposal 16. Financial Disclosure. Mandate financial disclosure for state elected officials and candidates as in 47 other states. [HB 4381](#) (Ebli). Passed House 81-28 on 03/25/2009.

Proposal 17. Honoraria Ban. Extend ban on honoraria to include all elected officials. Currently ban applies only to legislators. LSB Request No. 06031'10.

Proposal 18. Political Contribution-Free Zones. Prohibit the solicitation or receipt of political contributions in government buildings. [HB 4382](#) (Scripps). LSB Request No. 06030'10.

Proposal 19. Legislative Ethics. Enhance ethics & conflict of interest requirements for legislators. LSB Request No. 06028'10.

Proposal 20. Executive Branch Ethics. Enhance ethics and conflict of interest requirements for executive branch officials, including state contract managers. LSB Request No. 06026'10. LSB Request No. 06032'10.

Proposal 21. Restricting Corporate Campaign Influence. Amend the Michigan Campaign Finance Act to regulate unrestricted political advocacy by corporations, including instant reporting requirements, restrictions on activity funded by foreign nationals or foreign entities, shareholder approval of corporate expenditure, and disclaimers on political advertisements funded by corporations. Draft legislation pending at the Legislative Service Bureau.

Proposal 22. 2-year Budget. Amend the Michigan Constitution to require a 2-year budget cycle for state government. [HJR SS](#) (Dillon).

Proposal 23. Complete Budget by July 1. Amend the Michigan Constitution to require completion by July 1 of legislative action on the state budget and all implementing legislation or dock the pay of governor, lieutenant governor, and legislators when not complete by July 1 deadline. [HJR LL](#) (DeShazor).

Proposal 24. Tax Expenditure Review. Amend the Michigan Constitution and Management and Budget Act to require review and reauthorization of tax expenditures in second year of each two-year budget cycle, while allowing job providers that rely on long-term tax credits for job attraction on Michigan to continue to rely on those economic development credits. See FY 2010-2011 Executive Budget presentation on 02/11/2010.

Proposal 25. Pay-As-You-Go Budgeting. Amend the Michigan Constitution and Management and Budget Act to institute pay-as-you-go requirements for new budget and tax expenditures. [SJR S](#) (Thomas).

Proposal 26. Fiscal Impact Notes. Amend the Michigan Constitution, Legislative Council Act, and Management and Budget Act to require presentation of fiscal notes estimating financial and compliance costs of legislation by a legislative fiscal agency before approval by a legislative chamber. Require similar fiscal impact notes as part of administrative rule promulgation process. See FY 2010-2011 Executive Budget presentation on 02/11/2010.

Proposal 27. Audit of State Contracts. Require an annual audit of state contractual expenditures to identify excess spending, overuse, overcharges, and inefficiencies. See [Executive Directive 2009-3](#) and future executive directive.

Proposal 28. Enhance Revenue/Expenditure Projections. Amend the Management and Budget Act to require three consensus revenue-estimating conferences per year in January, May, and September, mandating consultation with non-governmental economists/forecasters. Conference would adopt revenue projections for 2-year budget cycle, transportation-related revenues, and expenditure estimates for major spending areas including Medicaid caseloads/spending, human services caseloads/spending, prisoner populations, and school pupil counts. Include 10-year projection in each 2-year budget proposal. See FY 2010-2011 Executive Budget presentation on 02/11/2010.

Proposal 29. Timely Book Closing. Amend the Management and Budget Act to require the closing of books for a fiscal period by December 31 to provide final revenue and expenditure numbers for consensus revenue conference and executive budget presentation. See FY 2010-2011 Executive Budget presentation on 02/11/2010.